



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2013-2014

July 28, 2014

Linda Smith
CSM
3130-C Inland Empire Blvd.
Ontario, CA 91764

Re: Applicant Name: SADDLEBACK VALLEY UNIF DIST
Billed Entity Number: 143776
Form 471 Application Number: 882552
Funding Request Number(s): 2485705
Your Correspondence Dated: June 24, 2014

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2013 Notification of Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2485705
Decision on Appeal: **Denied**
Explanation:

- Your FCC Form 471 application included costs for the following ineligible products and/or services: Haiku Learning Management System. USAC has determined that Haiku Learning Management System is 100 percent ineligible for e-rate support. The pre-discount cost associated with this request is \$121,176.00. At the applicant's 49 percent discount rate, this resulted in an improper commitment of \$59,376.24. USAC has determined that the applicant is responsible for the rule violation. Accordingly, the commitment has been rescinded in full. In your appeal, you did not show that USAC's determination was incorrect. Consequently, your appeal is denied.
- FCC rules provide that funding may be approved only for eligible products and services. See 47 C.F.R. secs. 54.502. The USAC website contains a list of

eligible products and services. *See* Eligible Services List posted in the Reference Area of the SLD section of the USAC website. FCC rules further require that if 30% or more of the applicant's funding request includes ineligible products and/or services, then the funding request must be denied, otherwise the funding request will be reduced accordingly. *See* 47 C.F.R. sec. 54.504(b). The FCC's Aiken County Public Schools Order directed USAC to permit the applicant 15 calendar days from the date of receipt of notice in writing by USAC to revise its funding request to remove the ineligible services or allow the applicant to provide additional documentation to show why the services are eligible. *See* Requests for Review of the Decisions of the Universal Service Administrator by Aiken County Public Schools, Aiken, South Carolina, et al., Schools and Libraries Universal Service Support Mechanism, File Nos. SLD-397612, et al., CC Docket No. 02-6, Order, 22 FCC Rcd 8735, FCC 07-61 para. 11 (May 8, 2007).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Jeffrey Starr

Linda Smith
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Billed Entity Number: 143776
Form 471 Application Number: 882552
Form 486 Application Number: